INFORMATION TECHNOLOGY MANAGEMENT STUDY SUBCOMMITTEE

COMMITTEE MEMBERS
REPRESENTATIVE BOB RANEY, CHAIRMAN
REPRESENTATIVE TOM ZOOK
SENATOR GREG JERGESON
SENATOR TOM BECK

LFD STAFF
PAM JOEHLER, SENIOR FISCAL ANALYST
GREG DeWITT, SENIOR FISCAL ANALYST
CINDY CAMPBELL, COMMITTEE SECRETARY

MINUTES
December 8, 1999
Room 487, Federal Building
Helena, Montana

ROLL CALL
Rep. Bob Raney
Rep. Tom Zook
Sen. Tom Beck
Sen. Greg Jergeson
Pam Joehler, Senior Fiscal Analyst
Greg DeWitt, Senior Fiscal Analyst
Cindy Campbell, Committee Secretary

Call to Order (Tape 1A-022)

The second meeting of the Information Technology Management Study Subcommittee (IT Subcommittee) was called to order at 9:00 a.m. by Representative Bob Raney, Chair, on Wednesday, December 8, 1999. The meeting was held in Room 487 of the Federal Building, Helena, Montana.

1. Approval of October 7, 1999 Minutes (Tape 1A-013)
Representative Zook moved that the minutes of the October 7, 1999 meeting be approved as corrected. **VOTE:** The motion carried unanimously.

2. Information Technology Management Study Workplan (Tape 1A-002)
Pam Joehler presented the Information Technology Management Study Work Plan (Exhibit 1) to the subcommittee for approval. (Exhibit 1) The work plan will be presented to the Legislative Finance Committee (LFC) for approval at its meeting tomorrow.

Mrs. Joehler briefly outlined the four specific outcomes required by HB 2 (These were listed on page 1 of the work plan.), discussed the upcoming meeting dates and agenda schedule, and summarized accomplishments of the October meeting.

Representative Raney relayed to the subcommittee his conversation with Lois Menzies, Director of Department of Administration (DOA), regarding the department's long-range planning goals.

MOTION: **Senator Jergeson** moved that the subcommittee approve the work plan as presented. **VOTE:** Motion carried unanimously.

3. Information Technology Governance – Montana Statutes (Tape 1A-300)

The report on information technology governance was presented to the subcommittee by Pam Joehler. (Exhibit 2) The report included a summary, information technology as defined by the Montana statutes, information technology governance, information technology budgeting, and general observations.

Ms. Joehler explained her research of the Montana statutes pertaining to information technology, and stated that her focus was on "a formal framework for making and administering IT policy and budget decisions." This was the definition given to IT governance by the IT Subcommittee at its meeting in October. In her report, the information technology governance section was separated into the following areas: 1) general oversight; 2) security; 3) telecommunications; 4) electronic access systems; 5) records management and storage; 6) Information Technology Advisory Council (ITAC); 7) county motor vehicle computer committee; 8) IT governance in the Legislative Branch; and 9) other advisory councils. Mrs. Joehler reviewed her report with the subcommittee, highlighting those items of specific importance. In the last section of the report, General Observations, LFD staff offered several observations regarding current Montana statutes addressing information technology governance, planning, and budgeting.

Discussion was held regarding system communication, i.e., vehicle registration computer system communicating with DOA's statewide computer system. Tony Herbert, DOA, answered

questions from **Senator Beck** and **Representative Raney** on this issue. He stated that it does appear that we are moving away from the goal of integration and there is some duplication with support staff. However, there is progress on the goal of standardization. **Representative Raney** asked if there is a need to change the statutes to accomplish interaction of all information technology within state agencies. Mr. Herbert responded that Montana has made good progress toward this, using SABHRS as an example of where small separate systems have been integrated into one larger system. In response to **Representative Raney's** question as to where we go from here, Mr. Herbert stated that the Information Technology Managers Council (ITMC) is taking the next step by conducting a review and looking at a bill for next session that would accomplish this. **Representative Raney** asked Mr. Herbert to keep the subcommittee updated on the status of this.

Further discussion was held regarding the separate state computer systems, the possibility of integrating them, and the cost effects. The subcommittee also discussed the role of ITAC in making these decisions. Mr. Herbert stated ITAC does get involved on statewide IT programs with budgetary impacts, i.e., Microsoft Office. However, ITAC does not get involved in every agency project on an agency by agency basis.

The IT Subcommittee talked about Montana compared to other states and how they handle these issues. Mrs. Joehler stated this is one of the issues the consultant will be asked to address.

4. Define Information Technology (Tape 1B-243)

Greg DeWitt addressed the subcommittee on the issue of defining information technology, presenting the report, IT Definitions – Other States Statutes. (Exhibit 3) He directed the subcommittee to the Montana statutes regarding this, which were written on page 1 of Pam Joehler's report, Exhibit 2. As HB 2 does not provide specific direction for the IT subcommittee, he recommended the subcommittee focus more on its direction rather than trying to define IT at this point, and stated that the consultant is expected to address IT governance. The subcommittee concurred that any definition of IT should include the elements of voice, data, and video.

5. Information Technology Consultants – Proposal Summary (Tape 1B-289)

Greg DeWitt presented the proposal summary on the information technology consultants. (Exhibit 4) He talked about the background on this issue and explained the criteria and process of choosing the prospective consultants. Based on the criteria, two consulting organizations responded to the request and provided product, cost, and biographical information. The table on page 3 of his report detailed this information. He stated that the Gartner Group proposal "provides the biggest bang for the buck", but the META Group proposal provides the greatest return for the cost. Mr. DeWitt provided detailed comparisons on what each group could offer and in closing stated that if ISD will agree to pay half the costs, staff would recommend the META Group. (ISD is contemplating hiring the META Group for the IT Strategic Planning/Electronic Government Workshop to be held on February 28 and 29, 2000, in Helena.)

MOTION: Senator Beck moved that the subcommittee approve the LFD staff recommendation to hire the META Group with ISD paying half the costs.

DISCUSSION: Subcommittee members further discussed the details of the upcoming conference. Tony Herbert provided specifics about the conference and stated that the IT Subcommittee would be invited to attend. Subcommittee members requested that the LFD staff also attend. **Senator Jergeson** suggested the possibility of scheduling the subcommittee's next meeting in conjunction with the conference, rather than with the March 9 & 10 meeting of the LFC. At the request of the subcommittee, Greg DeWitt provided a detailed IT Subcommittee budget report to ascertain if the budget would allow a separate subcommittee, not held in conjunction with the LFC. (Exhibit 5) The report indicated the IT Subcommittee budget was not adequate to support a separate meeting. **Representative Raney** suggested that the future schedule remain as is, with the next IT Subcommittee meeting on March 8 in conjunction with the LFC meeting on March 9 & 10.

VOTE: Motion carried unanimously.

MOTION: Following discussion on subcommittee attendance at the IT Strategic Planning/Electronic Government Workshop to be held on February 28 and 29, 2000, **Senator**

Beck moved that all IT Subcommittee members attend the workshop. **VOTE:** Motion carried unanimously.

6. Proposed IT Budget Information Requirements (Tape 2A-046)

Pam Joehler presented the Proposed IT Budget Information Requirements and asked for input and approval from the subcommittee members. (Exhibit 6) This report was prepared by the LFD staff, working closely with staff from OBPP and DOA. Mrs. Joehler reported that staff from the three agencies agree in concept, although there are a couple of details to be worked out. She also stated that although the agenda for today's meeting, which included this issue, was sent to all state agency directors and centralized services division administrators, only one agency responded.

Mrs. Joehler reviewed the details of the report with the subcommittee members. She and Greg DeWitt explained items which OBPP and/or DOA were in disagreement with LFD, and highlighted areas of importance. Subcommittee members spent a significant amount of time reviewing the details of the report with numerous questions and discussion about various items. LFD staff then presented the staff recommendations as detailed on page 9 of the report. Greg DeWitt presented a detailed review of the tables at the end of the report, explaining their purpose and how they vary.

MOTION: Representative Zook moved that the last bulleted items on page 5 under "C. Budget Requirements for IT-Related Decision Packages" be moved to the next section on page 6, "For all decision packages deemed by OBPP to be "Significant IT"…". **VOTE:** Motion carried unanimously.

JanDee May, Department of Justice (DOJ), addressed the subcommittee, stating that DOJ is most concerned about the future of its large computer systems and she did not see this issue addressed in the IT requirements proposal. She asked the subcommittee to consider expanding its scope to include an inventory and an assessment of large systems run by state government, i.e. similar to the way Long-Range handles IT systems. Ms. May offered an example of a computer system in DOJ which desperately needs upgrading but there is no available funding to handle this, as is the

situation with some other departments. She distributed a handout which was a chart of DOJ, Motor Vehicle Division, showing the general fund revenues and expenditures based on fiscal year 1998 SBAS reports. (Exhibit 7) **Senator Beck** stated that this issue was a prime example of the IT problems the legislature is trying to "get a handle on".

The subcommittee discussed this issue and who should maintain computer systems, the departments or DOA. The issue of how this should be handled in the legislature was also discussed.

Greg DeWitt reviewed the revisions to the plan made by the subcommittee. (See Exhibit 6) **MOTION: Senator Beck** moved approval of the plan with revisions as outlined by Mr. DeWitt. **VOTE:** Motion carried unanimously.

Pam Joehler reviewed the three recommendations listed on page 9 of Exhibit 6 with the subcommittee. **MOTION: Representative Zook** moved that the IT Subcommittee approve the first recommendation, Actual Information Technology Expenditures and Funding, as presented. **VOTE:** Motion carried unanimously.

Mr. DeWitt explained a typo in the second recommendation, defining the section number. **MOTION: Senator Beck** moved approval of the second recommendation, Budgeted Information Technology Expenditures and Funding, with the revision as explained by Mr. DeWitt. **VOTE:** Motion carried unanimously.

There was also a typo in the third recommendation, again defining the section number. **MOTION: Senator Jergeson** moved approval of the third recommendation, Agency IT Planning Information, with the revision of the section number. **VOTE:** Motion carried unanimously.

Other Business
The IT Subcommittee members and LFD staff discussed the upcoming workshop with DOA representatives and confirmed details.

Directions for staff for the next subcommittee meeting were clarified.

<u>Next Meeting</u>

The next meeting is scheduled for March 8, 2000.

<u>ADJOURNMENT</u>

Meeting adjourned at 3:50 p.m.

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                                         Representative Bob Raney, Chairman

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                                         Cindy Campbell, Committee Secretary